

(c) In case of the acquisition or construction of, or contract for, additional property, such certificate also shall state whether such property is known or believed to be subject to any lien or charge except undetermined liens or ordinary operating accounts or charges incidental to construction, and whether such property has become or will on the acquisition thereof become subject to the lien of this indenture as a first charge except as aforesaid, and if not, the liens prior to this indenture, thereon or on the acquisition thereof, attaching thereto; and such certificate shall specify the amount of any such prior lien or charge (other than as aforesaid) known or believed to exist or attaching or to attach thereto;

(d) Any such certificate under this section may state any other facts pertaining to the right to certify and deliver bonds hereunder. The same officer or officers of the Railway Company need not certify to all the facts required to be certified to under the provisions of this section, but different officers may certify to different facts respectively.

(3) None of the bonds reserved under this section 6 shall be authenticated and delivered for or in respect of the construction, purchase or acquisition of property subject to any lien or charge certified as aforesaid, unless or until the Trustees shall have reserved thereout an amount of first and refunding mortgage bonds equal, at the rate at which the residue of said bonds shall be then taken by the Railway Company, to the aggregate amount of such certified liens and charges, other than liens or charges prior to this indenture attaching to such property by virtue of the provisions contained in any mortgage of the Railway Company or of the company by or on whose behalf such acquisition or construction shall be made. Whenever thereafter any such certified liens and charges,

in respect of which such reservation shall be made, shall be paid or be satisfied, or shall be acquired and be subjected to the lien hereof, then a proportionate amount of the first and refunding mortgage bonds so reserved by the Trustees under this clause shall be delivered by the Trustees to the Railway Company, or upon its order, so that the amount of such bonds held by the Trustees under this clause at all times shall be equal, at the rate aforesaid, to the amount of such liens and charges remaining unsatisfied or not subjected to the lien hereof.

(4) A certificate signed by one of the officers first above designated and one of the officers secondly above designated in the preceding clause (2), or a certificate having endorsed thereon or annexed thereto a written statement of such officers in the form in clause (2) of this paragraph (B) specified, shall be received by the Trust Company as conclusive evidence of any facts pertaining to the right to authenticate and deliver bonds pursuant to this section, and shall be full protection to it for its action on the faith thereof.

The Railway Company shall execute or shall cause to be executed any conveyances or instruments of further assurance that may be necessary for the purpose of effectually subjecting to the lien and operation of this indenture any new property so acquired by the Railway Company, and, also, in case of any construction upon or acquisition for any railway under lease to the Railway Company, the Railway Company shall execute or cause and procure to be executed such instruments as may be necessary to subject the property so constructed or acquired to the lease under which any such railway is held, and, also, the Railway Company shall furnish the written opinion of counsel for the Railway Company to the effect that such conveyances or other instruments are sufficient for such purposes or that no conveyance or instrument of further assurance is necessary for the purposes aforesaid. Such resolutions, statements, certi-

cates and opinion shall be deemed and shall be taken to be full authority and protection to the Trust Company for its authentication of such bonds under the foregoing provisions of this section.

SEC. 7. Whenever, under section 3 or section 5 or section 6 of this Article, the Railway Company shall be entitled to the authentication and delivery of first and refunding mortgage bonds in reimbursement of expenditures theretofore made or contracted to be made by it, the Railway Company may take and accept such bonds at prices to be fixed by resolution of its board of directors or of its executive committee, but not in any case less than the average price for which such bonds shall have been sold on the New York Stock Exchange during the previous calendar month (if there shall have been any such sales of such bonds); and the bonds so taken and accepted by the Railway Company shall be held and may be used by it for its general corporate purposes, freed and discharged from all restrictions.

ARTICLE TWO.

REGISTRY AND EXCHANGE OF BONDS.

SECTION 1. The Railway Company, at an office or agency to be maintained by it in the Borough of Manhattan, in the City of New York, will keep a register or registers for the registration and transfer of bonds issued hereunder, in which it will register, subject to such reasonable regulations as it may prescribe, all such bonds without coupons, and, upon presentation thereof for such purpose, any such coupon bonds; and such register or registers at all reasonable times shall be open to the inspection of the Trustees. The holder of any coupon bond may have the ownership thereof registered on such books, such registry being noted on the bond, after which no transfer thereof shall be valid unless made on such books by the

registered holder in person, or by his attorney duly authorized in writing, and noted on the bond; but the same may be discharged from registry by being in like manner transferred thereon to bearer, after which it shall again be transferable by delivery, but such bond may again from time to time be registered or transferred to bearer as before. Such registration shall not affect the negotiability of the coupons belonging to any such bond, but every such coupon shall continue to pass by delivery, and shall remain payable to bearer.

SEC. 2. The coupon bonds shall be of the denomination of one thousand dollars each and shall be numbered consecutively from 1 to 163,000, inclusive. The Railway Company, however, in its discretion, may, from time to time, issue coupon bonds of the denomination of five hundred dollars each, which shall be identical in all respects, except as to the stated face amount thereof and of the coupons thereof attached, with the form of coupon bond hereinbefore set out. In the event of the issue of any coupon bonds of the denomination of five hundred dollars each, the same serial number shall be borne by two of such bonds, the serial number to be immediately followed in the case of one of such bonds by the letter "A," and in the case of the other of such bonds by the letter "B," as 1A, 1B. The registered bonds may be of the denomination of five hundred dollars, or of one thousand dollars, or of such multiples of one thousand dollars as the board of directors or the executive committee of the Railway Company may by resolution from time to time authorize. Whenever any bond or bonds shall be issued originally as a registered bond or bonds, there shall be reserved by the Railway Company, unissued, an aggregate face amount of coupon bonds equal to the aggregate face amount of the registered bond or bonds so issued, and the serial number or numbers of the coupon bonds so reserved unissued shall by the Railway Company be endorsed on such registered bond or bonds.